

232.903

area has evolved into a more stable environment, the contracting officer shall notify, by issuance of a contract modification, each contractor performing in the operational area under review. The modification deactivates clause 252.232-7011 and activates the applicable FAR Prompt Payment clause in the contract.

(ii) If after deactivation of clause 252.232-7011, the head of the contracting activity subsequently determines that the operational area has evolved into a less stable environment, the head of the contracting activity will make a determination that conditions exist that limit normal business operations. The contracting officer will then reactivate clause 252.232-7011 by issuance of a contract modification.

[75 FR 40713, July 13, 2010, as amended at 76 FR 11373, Mar. 2, 2011]

232.903 Responsibilities.

DoD policy is to assist small business concerns by paying them as quickly as possible after invoices and all proper documentation, including acceptance, are received and before normal payment due dates established in the contract (see 232.906(a)).

[76 FR 23506, Apr. 27, 2011]

232.904 Determining payment due dates.

(d) In most cases, Government acceptance or approval can occur within the 7-day constructive acceptance period specified in the FAR Prompt Payment clauses. Government payment of construction progress payments can, in most cases, be made within the 14-day period allowed by the Prompt Payment for Construction Contracts clause. While the contracting officer may specify a longer period because the period specified in the contract is not reasonable or practical, such change should be coordinated with the Government offices responsible for acceptance or approval and for payment. Reasons for specifying a longer period include but are not limited to: the nature of the work or supplies or services, inspection or testing requirements, shipping and acceptance terms, and resources available at the acceptance activity. A constructive acceptance pe-

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riod of less than the cited 7 or 14 days is not authorized.

[70 FR 75413, Dec. 20, 2005]

232.906 Making payments.

(a)(i) Generally, the contracting officer shall insert the standard due date of 14 days for interim payments on cost-reimbursement contracts for services in the clause at FAR 52.232-25, Prompt Payment, when using the clause with its Alternate I.

(ii) The restrictions of FAR 32.906 prohibiting early payment do not apply to invoice payments made to small business concerns. However, contractors shall not be entitled to interest penalties if the Government fails to make early payment.

[70 FR 75413, Dec. 20, 2005, as amended at 76 FR 23506, Apr. 27, 2011]

232.908 Contract clauses.

Use the clause at 252.232-7011, Payments in Support of Emergencies and Contingency Operations, in solicitations and contracts in addition to the approved clause prescribed in FAR 32.908 in acquisitions that meet the applicability criteria at 232.901(1).

[75 FR 40714, July 13, 2010]

Subpart 232.10—Performance-Based Payments

SOURCE: 63 FR 11537, Mar. 9, 1998, unless otherwise noted.

232.1001 Policy.

(d) The contracting officer shall use the following standard prompt payment terms for performance-based payments: The contractor entitlement date, if any, specified in the contract, or 14 days after receipt by the designated billing office of a proper request for payment, whichever is later.

232.1004 Procedure.

(c) *Instructions for multiple appropriations.* If the contract contains foreign military sales requirements, the contracting officer shall provide instructions for distribution of the contract financing payments to each country's account.